

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 995 Session of 2009

INTRODUCED BY ORIE, BROWNE, PILEGGI, RAFFERTY, WAUGH, M. WHITE,  
EARLL AND D. WHITE, JULY 6, 2009

REFERRED TO PUBLIC HEALTH AND WELFARE, JULY 6, 2009

AN ACT

1 Amending the act of June 13, 1967 (P.L.31, No.21), entitled "An  
2 act to consolidate, editorially revise, and codify the public  
3 welfare laws of the Commonwealth," further providing for  
4 medical assistance benefit packages and Medicaid managed care  
5 organizations; and making inconsistent repeals.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Section 454(d) of the act of June 13, 1967  
9 (P.L.31, No.21), known as the Public Welfare Code, added July 7,  
10 2005 (P.L.177, No.42), is amended and the section is amended by  
11 adding a subsection to read:

12 Section 454. Medical Assistance Benefit Packages; Coverage,  
13 Copayments, Premiums and Rates.--\* \* \*

14 (c.1) (1) Notwithstanding any other provision of this law  
15 or any other law to the contrary, a Medicaid managed care  
16 organization may customize benefit packages for Medicaid  
17 recipients as provided in this subsection.

18 (2) The authority to customize benefit packages as provided  
19 in this subsection shall not apply to:

1     (i) Medicaid recipients who are twenty-one years of age or  
2 younger; or  
3     (ii) Medicaid recipients who are pregnant; or  
4     (iii) to any federally mandated benefits.

5     (3) The following conditions shall apply to the creation of  
6 customized benefit packages pursuant to this subsection:

7     (i) Customized benefit packages shall reflect the various  
8 Medicaid categories for which recipients may qualify under the  
9 Medicaid program.

10    (ii) The department may not adjust premiums paid to a  
11 Medicaid managed care organization based on the authority to  
12 customize benefit packages as provided in this subsection.

13    (iii) Customized benefit packages offered pursuant to this  
14 subsection may not exceed one-half of one percent of the total  
15 premium paid to the Medicaid managed care organization,  
16 excluding the Medicaid managed care organization assessment made  
17 pursuant to the former Article VIII-B and any future assessment  
18 imposed on managed care organizations.

19    (iv) A Medicaid managed care organization shall submit to  
20 the department a copy of each customized benefit package to be  
21 offered and any future modifications to be made to any  
22 customized benefit package, together with an actuarial study  
23 demonstrating that the customized benefit package or  
24 modification is actuarially sound.

25    (v) A Medicaid managed care organization shall:

26    (A) submit the information required by subparagraph (iv) to  
27 the department no later than September 1 of the year prior to  
28 which the Medicaid managed care organization intends to offer  
29 the benefit package or modification; and

30    (B) not offer the customized benefit package or modification

1 to recipients prior to June 30 of the year following submission  
2 to the department of the information required by subparagraph  
3 (iv).

4 (d) As used in this section:

5 "Adult" means recipients twenty-one years of age or older,  
6 except when in relation to copayments, for which the term means  
7 recipients eighteen years of age or older.

8 "Benefit packages" means the list of items and services  
9 covered by medical assistance, including any limitations on  
10 covered items and services.

11 "Medicaid managed care organization" means a Medicaid managed  
12 care organization as defined in section 1903(m)(1)(A) of the  
13 Social Security Act (49 Stat. 620, 42 U.S.C. § 1396(m)(1)(A))  
14 that is a party to a Medicaid managed care physical health  
15 contract with the department.

16 Section 2. All acts and parts of acts are repealed insofar  
17 as they are inconsistent with this act.

18 Section 3. This act shall take effect July 1, 2009, or  
19 immediately, whichever is later.